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Biden Sues Publishers In Conspiracy to Overcharge Consumers
Price fixing scheme cost readers \$100 million

Wilmington – Attorney General Beau Biden and 16 other Attorneys General are seeking to join a lawsuit against two of the nation’s largest publishers and Apple, alleging that they and other publishers conspired beginning in 2009 to raise the prices of electronic books sold to consumers.

The lawsuit, filed originally last month by 15 states and the District of Columbia, stems from a two-year investigation initiated by the State of Texas. The investigation revealed that the publishers and Apple conspired to eliminate e-book price competition and artificially raise prices by imposing a distribution model in which publishers, not retailers, set prices. For example, the suit alleges that the publishers and Apple agreed to set the price for New York Times bestselling titles -- which often retailed at \$9.99 before the conspiracy -- at the higher prices of \$12.99 or \$14.99. The coordinated price fixing agreement resulted in more than \$100 million being overcharged to consumers nationwide.

“Conspiring to increase prices that consumers pay is against the law,” Attorney General Biden said. “We’re acting to protect consumers and ensure fair and open competition.”

Biden and the additional Attorneys General filed a motion on Friday seeking the Court's approval to join the lawsuit.

Between 2007 and 2011, the e-books share of all book titles sold in the US rose from 2% to approximately 25%. In 2010, e-book sales surpassed \$440 million.

Three other publishers, HarperCollins, Hachette, and Simon and Schuster have agreed to settle and were not named in the lawsuit.

The lawsuit, filed in United States District Court for the Southern District of New York, seeks damages for customers who paid artificially inflated prices, civil penalties, and injunctive relief to stop the illegal practices and ensure fair competition.

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